

# Red Leaf uses conference to announce new shale process

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Vernal Express

Red Leaf Resources announced a new low-emissions oil shale mining process for its Uintah County mine during the University of Utah's Unconventional Fuels Conference last week.

The company has begun the design and engineering for a 9,500 barrel-a-day project and converted a previous exploration permit into a mine operation through the Utah Division of Oil, Gas and Mining. At full-production the mine, which should be ready for commercial production by 2012, would provide 200-plus energy jobs with an average wage of \$65,000 a year.

Red Leaf Vice President Laura Nelson said the company is getting ready for the potential of commercial leasing but noted the federal government currently lacks any capacity to allow for the "responsible development" of oil shale.

Early this month, Interior Secretary Ken Salazar ordered the Bureau of Land Management to revise the 2008 programmatic environmental impact statement for oil shale and tar sands development.

"We need to take a fresh look at the land use plans and decisions made in the previous documents," said BLM Solid Minerals Division Chief Mitchell Leverette.

The federal government's existing plans allocate 1.9 million acres in oil shale holdings and 400,000 acres in tar sands holdings for commercial leasing with more than half a million acres located in Utah alone.

Environmentalists oppose any revision that would issue leases in areas where potential wilderness or wild lands would be impacted. The Southern Utah Wilderness Alliance recommends that the BLM conserve lands with suitable wilderness character from leasing for oil shale or tar sands and "fully consider the impacts to water, air, and climate."

During last Tuesday's conference, Nelson explained the oil shale process requires the shale be mined and placed in a lining-prepared cavity for subsurface retorting, or roasting, of the ore to release the kerogen oil.

"The process is a minor source of emissions," she said, adding that the low emissions derived from processing ore could also lend itself to carbon recapture, if required.

"We have very limited water use with rapid reclamation," Nelson said.

The Red Leaf Resources research, development, and demonstration mine is located on State School and Institutional Trust Lands and 17,000 acres of oil shale leases.

Utah's unconventional fuel reserves in oil shale and tar sands hold roughly 100 billion barrels of oil.

In 2009, \$6.8 billion in traditional mineral and energy development was produced in Utah — just \$2.6 billion less than the previous year.

The development of unconventional fuels and renewable energy resources must become part of the existing Utah energy portfolio, said state economic-development executive Spencer Eccles during his speech at the conference.

"Our workforce, the cost of doing business here, and the low cost of energy is a significant qualifier in our ability to attract Utah's (economic security)," Eccles said.

He told the audience that it's time to focus on domestic energy resource development and reduce the nation's dependence on OPEC petroleum. The biggest obstacle to that, Eccles said, is the "fragmentation of regulation in such a way it makes it difficult to do business with too many policies that conflict within and between departments."

Eccles proposed streamlining the process to bring together partnerships during the permitting of oil shale and tar sands commercial leases.

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